

108TH CONGRESS
1ST SESSION

S. 1734

To amend titles XIX and XXI of the Social Security Act to provide States with the option to expand or add coverage of pregnant women under the medicaid and State children’s health insurance programs, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 15, 2003

Mrs. LINCOLN (for herself, Mr. LUGAR, and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend titles XIX and XXI of the Social Security Act to provide States with the option to expand or add coverage of pregnant women under the medicaid and State children’s health insurance programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prevent Prematurity
5 and Improve Child Health Act of 2003”.

1 **SEC. 2. STATE OPTION TO EXPAND OR ADD COVERAGE OF**
 2 **CERTAIN PREGNANT WOMEN UNDER MED-**
 3 **ICAID AND SCHIP.**

4 (a) MEDICAID.—

5 (1) AUTHORITY TO EXPAND COVERAGE.—Sec-
 6 tion 1902(l)(2)(A)(i) of the Social Security Act (42
 7 U.S.C. 1396a(l)(2)(A)(i)) is amended by inserting
 8 “(or such higher percentage as the State may elect
 9 for purposes of expenditures for medical assistance
 10 for pregnant women described in section
 11 1905(u)(4)(A))” after “185 percent”.

12 (2) ENHANCED MATCHING FUNDS AVAILABLE
 13 IF CERTAIN CONDITIONS MET.—Section 1905 of the
 14 Social Security Act (42 U.S.C. 1396d) is amended—

15 (A) in the fourth sentence of subsection
 16 (b), by striking “or subsection (u)(3)” and in-
 17 serting “, (u)(3), or (u)(4)”; and

18 (B) in subsection (u)—

19 (i) by redesignating paragraph (4) as
 20 paragraph (5); and

21 (ii) by inserting after paragraph (3)
 22 the following new paragraph:

23 “(4) For purposes of the fourth sentence of sub-
 24 section (b) and section 2105(a), the expenditures de-
 25 scribed in this paragraph are the following:

1 “(A) CERTAIN PREGNANT WOMEN.—If the con-
2 ditions described in subparagraph (B) are met, ex-
3 penditures for medical assistance for pregnant
4 women described in subsection (n) or under section
5 1902(l)(1)(A) in a family the income of which ex-
6 ceeds 185 percent of the poverty line, but does not
7 exceed the income eligibility level established under
8 title XXI for a targeted low-income child.

9 “(B) CONDITIONS.—The conditions described
10 in this subparagraph are the following:

11 “(i) The State plans under this title and
12 title XXI do not provide coverage for pregnant
13 women described in subparagraph (A) with
14 higher family income without covering such
15 pregnant women with a lower family income.

16 “(ii) The State does not apply an effective
17 income level for pregnant women that is lower
18 than the effective income level (expressed as a
19 percent of the poverty line and considering ap-
20 plicable income disregards) that has been speci-
21 fied under the State plan under subsection
22 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902,
23 as of January 1, 2003, to be eligible for medical
24 assistance as a pregnant woman.

1 “(C) DEFINITION OF POVERTY LINE.—In this
2 subsection, the term ‘poverty line’ has the meaning
3 given such term in section 2110(c)(5).”.

4 (3) PAYMENT FROM TITLE XXI ALLOTMENT
5 FOR MEDICAID EXPANSION COSTS; ELIMINATION OF
6 COUNTING MEDICAID CHILD PRESUMPTIVE ELIGI-
7 BILITY COSTS AGAINST TITLE XXI ALLOTMENT.—
8 Section 2105(a)(1) of the Social Security Act (42
9 U.S.C. 1397ee(a)(1)) is amended—

10 (A) in the matter preceding subparagraph
11 (A), by striking “(or, in the case of expendi-
12 tures described in subparagraph (B), the Fed-
13 eral medical assistance percentage (as defined
14 in the first sentence of section 1905(b)))”; and

15 (B) by striking subparagraph (B) and in-
16 serting the following new subparagraph:

17 “(B) for the provision of medical assist-
18 ance that is attributable to expenditures de-
19 scribed in section 1905(u)(4)(A);”.

20 (b) SCHIP.—

21 (1) COVERAGE.—Title XXI of the Social Secu-
22 rity Act (42 U.S.C. 1397aa et seq.) is amended by
23 adding at the end the following new section:

1 **“SEC. 2111. OPTIONAL COVERAGE OF TARGETED LOW-IN-**
 2 **COME PREGNANT WOMEN.**

3 “(a) OPTIONAL COVERAGE.—Notwithstanding any
 4 other provision of this title, a State may provide for cov-
 5 erage, through an amendment to its State child health
 6 plan under section 2102, of pregnancy-related assistance
 7 for targeted low-income pregnant women in accordance
 8 with this section, but only if—

9 “(1) the State has established an income eligi-
 10 bility level for pregnant women under subsection
 11 (a)(10)(A)(i)(III) or (l)(2)(A) of section 1902 that is
 12 at least 185 percent of the income official poverty
 13 line; and

14 “(2) the State meets the conditions described in
 15 section 1905(u)(4)(B).

16 “(b) DEFINITIONS.—For purposes of this title:

17 “(1) PREGNANCY-RELATED ASSISTANCE.—The
 18 term ‘pregnancy-related assistance’ has the meaning
 19 given the term child health assistance in section
 20 2110(a) as if any reference to targeted low-income
 21 children were a reference to targeted low-income
 22 pregnant women, except that the assistance shall be
 23 limited to services related to pregnancy (which in-
 24 clude prenatal, delivery, and postpartum services
 25 and services described in section 1905(a)(4)(C)) and
 26 to other conditions that may complicate pregnancy.

1 “(2) TARGETED LOW-INCOME PREGNANT
2 WOMAN.—The term ‘targeted low-income pregnant
3 woman’ means a woman—

4 “(A) during pregnancy and through the
5 end of the month in which the 60-day period
6 (beginning on the last day of her pregnancy)
7 ends;

8 “(B) whose family income exceeds the ef-
9 fective income level (expressed as a percent of
10 the poverty line and considering applicable in-
11 come disregards) that has been specified under
12 subsection (a)(10)(A)(i)(III) or (l)(2)(A) of sec-
13 tion 1902, as of January 1, 2003, to be eligible
14 for medical assistance as a pregnant woman
15 under title XIX but does not exceed the income
16 eligibility level established under the State child
17 health plan under this title for a targeted low-
18 income child; and

19 “(C) who satisfies the requirements of
20 paragraphs (1)(A), (1)(C), (2), and (3) of sec-
21 tion 2110(b).

22 “(c) REFERENCES TO TERMS AND SPECIAL
23 RULES.—In the case of, and with respect to, a State pro-
24 viding for coverage of pregnancy-related assistance to tar-

1 geted low-income pregnant women under subsection (a),
2 the following special rules apply:

3 “(1) Any reference in this title (other than in
4 subsection (b)) to a targeted low-income child is
5 deemed to include a reference to a targeted low-in-
6 come pregnant woman.

7 “(2) Any such reference to child health assist-
8 ance with respect to such women is deemed a ref-
9 erence to pregnancy-related assistance.

10 “(3) Any such reference to a child is deemed a
11 reference to a woman during pregnancy and the pe-
12 riod described in subsection (b)(2)(A).

13 “(4) In applying section 2102(b)(3)(B), any
14 reference to children found through screening to be
15 eligible for medical assistance under the State med-
16 icaid plan under title XIX is deemed a reference to
17 pregnant women.

18 “(5) There shall be no exclusion of benefits for
19 services described in subsection (b)(1) based on any
20 preexisting condition and no waiting period (includ-
21 ing any waiting period imposed to carry out section
22 2102(b)(3)(C)) shall apply.

23 “(6) Subsection (a) of section 2103 (relating to
24 required scope of health insurance coverage) shall
25 not apply insofar as a State limits coverage to serv-

1 ices described in subsection (b)(1) and the reference
 2 to such section in section 2105(a)(1)(C) is deemed
 3 not to require, in such case, compliance with the re-
 4 quirements of section 2103(a).

5 “(7) In applying section 2103(e)(3)(B) in the
 6 case of a pregnant woman provided coverage under
 7 this section, the limitation on total annual aggregate
 8 cost-sharing shall be applied to such pregnant
 9 woman.

10 “(8) The reference in section 2107(e)(1)(D) to
 11 section 1920A (relating to presumptive eligibility for
 12 children) is deemed a reference to section 1920 (re-
 13 lating to presumptive eligibility for pregnant
 14 women).

15 “(d) AUTOMATIC ENROLLMENT FOR CHILDREN
 16 BORN TO WOMEN RECEIVING PREGNANCY-RELATED AS-
 17 SISTANCE.—If a child is born to a targeted low-income
 18 pregnant woman who was receiving pregnancy-related as-
 19 sistance under this section on the date of the child’s birth,
 20 the child shall be deemed to have applied for child health
 21 assistance under the State child health plan and to have
 22 been found eligible for such assistance under such plan
 23 or to have applied for medical assistance under title XIX
 24 and to have been found eligible for such assistance under
 25 such title, as appropriate, on the date of such birth and

1 to remain eligible for such assistance until the child at-
 2 tains 1 year of age. During the period in which a child
 3 is deemed under the preceding sentence to be eligible for
 4 child health or medical assistance, the child health or med-
 5 ical assistance eligibility identification number of the
 6 mother shall also serve as the identification number of the
 7 child, and all claims shall be submitted and paid under
 8 such number (unless the State issues a separate identifica-
 9 tion number for the child before such period expires).”.

10 (2) ADDITIONAL ALLOTMENTS FOR PROVIDING
 11 COVERAGE OF PREGNANT WOMEN.—

12 (A) IN GENERAL.—Section 2104 of the So-
 13 cial Security Act (42 U.S.C. 1397dd) is amend-
 14 ed by inserting after subsection (c) the fol-
 15 lowing new subsection:

16 “(d) ADDITIONAL ALLOTMENTS FOR PROVIDING
 17 COVERAGE OF PREGNANT WOMEN.—

18 “(1) APPROPRIATION; TOTAL ALLOTMENT.—
 19 For the purpose of providing additional allotments
 20 to States under this title, there is appropriated, out
 21 of any money in the Treasury not otherwise appro-
 22 priated, for each of fiscal years 2004 through 2007,
 23 \$200,000,000.

24 “(2) STATE AND TERRITORIAL ALLOTMENTS.—

25 In addition to the allotments provided under sub-

1 sections (b) and (c), subject to paragraphs (3) and
2 (4), of the amount available for the additional allot-
3 ments under paragraph (1) for a fiscal year, the
4 Secretary shall allot to each State with a State child
5 health plan approved under this title—

6 “(A) in the case of such a State other than
7 a commonwealth or territory described in sub-
8 paragraph (B), the same proportion as the pro-
9 portion of the State’s allotment under sub-
10 section (b) (determined without regard to sub-
11 section (f)) to the total amount of the allot-
12 ments under subsection (b) for such States eli-
13 gible for an allotment under this paragraph for
14 such fiscal year; and

15 “(B) in the case of a commonwealth or ter-
16 ritory described in subsection (c)(3), the same
17 proportion as the proportion of the common-
18 wealth’s or territory’s allotment under sub-
19 section (c) (determined without regard to sub-
20 section (f)) to the total amount of the allot-
21 ments under subsection (c) for commonwealths
22 and territories eligible for an allotment under
23 this paragraph for such fiscal year.

24 “(3) USE OF ADDITIONAL ALLOTMENT.—Addi-
25 tional allotments provided under this subsection are

1 not available for amounts expended before October
 2 1, 2003. Such amounts are available for amounts ex-
 3 pended on or after such date for child health assist-
 4 ance for targeted low-income children, as well as for
 5 pregnancy-related assistance for targeted low-income
 6 pregnant women.

7 “(4) NO PAYMENTS UNLESS ELECTION TO EX-
 8 PAND COVERAGE OF PREGNANT WOMEN.—No pay-
 9 ments may be made to a State under this title from
 10 an allotment provided under this subsection unless
 11 the State provides pregnancy-related assistance for
 12 targeted low-income pregnant women under this
 13 title, or provides medical assistance for pregnant
 14 women under title XIX, whose family income ex-
 15 ceeds the effective income level applicable under sub-
 16 section (a)(10)(A)(i)(III) or (l)(2)(A) of section
 17 1902 to a family of the size involved as of January
 18 1, 2003.”.

19 (B) CONFORMING AMENDMENTS.—Section
 20 2104 of the Social Security Act (42 U.S.C.
 21 1397dd) is amended—

22 (i) in subsection (a), in the matter
 23 preceding paragraph (1), by inserting
 24 “subject to subsection (d),” after “under
 25 this section,”;

1 (ii) in subsection (b)(1), by inserting
 2 “and subsection (d)” after “Subject to
 3 paragraph (4)”; and

4 (iii) in subsection (c)(1), by inserting
 5 “subject to subsection (d),” after “for a
 6 fiscal year,”.

7 (3) ADDITIONAL CONFORMING AMENDMENTS.—

8 (A) NO COST-SHARING FOR PREGNANCY-
 9 RELATED BENEFITS.—Section 2103(e)(2) of
 10 the Social Security Act (42 U.S.C.
 11 1397cc(e)(2)) is amended—

12 (i) in the heading, by inserting “OR
 13 PREGNANCY-RELATED SERVICES” after
 14 “PREVENTIVE SERVICES”; and

15 (ii) by inserting before the period at
 16 the end the following: “or for pregnancy-
 17 related services”.

18 (B) NO WAITING PERIOD.—Section
 19 2102(b)(1)(B) (42 U.S.C. 1397bb(b)(1)(B)) is
 20 amended—

21 (i) in clause (i), by striking “, and” at
 22 the end and inserting a semicolon;

23 (ii) in clause (ii), by striking the pe-
 24 riod at the end and inserting “; and”; and

1 (iii) by adding at the end the fol-
 2 lowing new clause:

3 “(iii) may not apply a waiting period
 4 (including a waiting period to carry out
 5 paragraph (3)(C)) in the case of a targeted
 6 low-income pregnant woman.”.

7 (c) AUTHORITY FOR STATES THAT PROVIDE MED-
 8 ICAID OR SCHIP COVERAGE FOR PREGNANT WOMEN
 9 WITH INCOME ABOVE 185 PERCENT OF THE POVERTY
 10 LINE TO USE PORTION OF SCHIP FUNDS FOR MEDICAID
 11 EXPENDITURES.—Section 2105(g) of the Social Security
 12 Act (42 U.S.C. 1397ee(g)), as added by section 1(b) of
 13 Public Law 108–74, is amended—

14 (1) in the subsection heading, by inserting
 15 “AND CERTAIN PREGNANCY COVERAGE EXPANSION
 16 STATES” after “QUALIFYING STATES”;

17 (2) by adding at the end the following:

18 “(4) SPECIAL AUTHORITY FOR CERTAIN PREG-
 19 NANCY COVERAGE EXPANSION STATES.—

20 “(A) IN GENERAL.—In the case of a State
 21 that, as of the date of enactment of the Prevent
 22 Prematurity and Improve Child Health Act of
 23 2003, has an income eligibility standard under
 24 title XIX or this title (under section
 25 1902(a)(10)(A) or under a statewide waiver in

1 effect under section 1115 with respect to title
2 XIX or this title) that is at least 185 percent
3 of the poverty line with respect to pregnant
4 women, the State may elect to use not more
5 than 20 percent of any allotment under section
6 2104 for any fiscal year (insofar as it is avail-
7 able under subsections (e) and (g) of such sec-
8 tion) for payments under title XIX in accord-
9 ance with subparagraph (B), instead of for ex-
10 penditures under this title.

11 “(B) PAYMENTS TO STATES.—

12 “(i) IN GENERAL.—In the case of a
13 State described in subparagraph (A) that
14 has elected the option described in that
15 subparagraph, subject to the availability of
16 funds under such subparagraph and, if ap-
17 plicable, paragraph (1)(A), with respect to
18 the State, the Secretary shall pay the State
19 an amount each quarter equal to the addi-
20 tional amount that would have been paid
21 to the State under title XIX with respect
22 to expenditures described in clause (ii) if
23 the enhanced FMAP (as determined under
24 subsection (b)) had been substituted for

the Federal medical assistance percentage
(as defined in section 1905(b)).

“(ii) EXPENDITURES DESCRIBED.—

For purposes of this subparagraph, the expenditures described in this clause are expenditures, made after the date of the enactment of this paragraph and during the period in which funds are available to the State for use under subparagraph (A), for medical assistance under title XIX for pregnant women whose family income is at least 185 percent of the poverty line.

“(iii) NO IMPACT ON DETERMINATION
OF BUDGET NEUTRALITY FOR WAIVERS.—

In the case of a State described in subparagraph (A) that uses amounts paid under this paragraph for expenditures described in clause (ii) that are incurred under a waiver approved for the State, any budget neutrality determinations with respect to such waiver shall be determined without regard to such amounts paid.”; and

(3) in paragraph (3), by striking “and (2)” and inserting “(2), and (4)”.

1 (d) OTHER AMENDMENTS TO MEDICAID.—

2 (1) ELIGIBILITY OF A NEWBORN.—Section
3 1902(e)(4) of the Social Security Act (42 U.S.C.
4 1396a(e)(4)) is amended in the first sentence by
5 striking “so long as the child is a member of the
6 woman’s household and the woman remains (or
7 would remain if pregnant) eligible for such assist-
8 ance”.

9 (2) APPLICATION OF QUALIFIED ENTITIES TO
10 PRESUMPTIVE ELIGIBILITY FOR PREGNANT WOMEN
11 UNDER MEDICAID.—Section 1920(b) of the Social
12 Security Act (42 U.S.C. 1396r–1(b)) is amended by
13 adding after paragraph (2) the following flush sen-
14 tence:

15 “The term ‘qualified provider’ includes a qualified entity
16 as defined in section 1920A(b)(3).”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section apply to items and services furnished on or
19 after October 1, 2003, without regard to whether regula-
20 tions implementing such amendments have been promul-
21 gated.

22 **SEC. 3. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**
23 **UNDER THE MEDICAID PROGRAM AND SCHIP.**

24 (a) MEDICAID PROGRAM.—Section 1903(v) of the
25 Social Security Act (42 U.S.C. 1396b(v)) is amended—

1 (1) in paragraph (1), by striking “paragraph
2 (2)” and inserting “paragraphs (2) and (4)”; and

3 (2) by adding at the end the following new
4 paragraph:

5 “(4)(A) A State may elect (in a plan amendment
6 under this title) to provide medical assistance under this
7 title for aliens who are lawfully residing in the United
8 States (including battered aliens described in section
9 431(c) of the Personal Responsibility and Work Oppor-
10 tunity Reconciliation Act of 1996) and who are otherwise
11 eligible for such assistance, within any of the following eli-
12 gibility categories:

13 “(i) PREGNANT WOMEN.—Women during preg-
14 nancy (and during the 60-day period beginning on
15 the last day of the pregnancy).

16 “(ii) CHILDREN.—Children (as defined under
17 such plan), including optional targeted low-income
18 children described in section 1905(u)(2)(B).

19 “(B)(i) In the case of a State that has elected to pro-
20 vide medical assistance to a category of aliens under sub-
21 paragraph (A), no debt shall accrue under an affidavit of
22 support against any sponsor of such an alien on the basis
23 of provision of assistance to such category and the cost
24 of such assistance shall not be considered as an unreim-
25 bursed cost.

1 “(ii) The provisions of sections 401(a), 402(b), 403,
2 and 421 of the Personal Responsibility and Work Oppor-
3 tunity Reconciliation Act of 1996 shall not apply to a
4 State that makes an election under subparagraph (A).”.

5 (b) TITLE XXI.—Section 2107(e)(1) of the Social
6 Security Act (42 U.S.C. 1397gg(e)(1)) is amended by add-
7 ing at the end the following new subparagraph:

8 “(E) Section 1903(v)(4) (relating to op-
9 tional coverage of permanent resident alien
10 pregnant women and children), but only with
11 respect to an eligibility category under this title,
12 if the same eligibility category has been elected
13 under such section for purposes of title XIX.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section take effect on October 1, 2003, and apply to
16 medical assistance and child health assistance furnished
17 on or after such date.

18 **SEC. 4. PROMOTING CESSATION OF TOBACCO USE UNDER**
19 **THE MEDICAID PROGRAM.**

20 (a) DROPPING EXCEPTION FROM MEDICAID PRE-
21 SCRIPTIION DRUG COVERAGE FOR TOBACCO CESSATION
22 MEDICATIONS.—Section 1927(d)(2) of the Social Security
23 Act (42 U.S.C. 1396r–8(d)(2)) is amended—

24 (1) by striking subparagraph (E);

1 (2) by redesignating subparagraphs (F)
2 through (J) as subparagraphs (E) through (I), re-
3 spectively; and

4 (3) in subparagraph (F) (as redesignated by
5 paragraph (2)), by inserting before the period at the
6 end the following: “, except agents approved by the
7 Food and Drug Administration for purposes of pro-
8 moting, and when used to promote, tobacco ces-
9 sation”.

10 (b) REQUIRING COVERAGE OF TOBACCO CESSATION
11 COUNSELING SERVICES FOR PREGNANT WOMEN.—Sec-
12 tion 1905 of the Social Security Act (42 U.S.C.
13 1396d(a)(4)) is amended—

14 (1) in subsection (a)(4)—

15 (A) by striking “and” before “(C)”; and

16 (B) by inserting before the semicolon at
17 the end the following new subparagraph: “; and
18 (D) counseling for cessation of tobacco use (as
19 defined in subsection (x)) for pregnant women”;
20 and

21 (2) by adding at the end the following:

22 “(x)(1) For purposes of this title, the term ‘coun-
23 seling for cessation of tobacco use’ means therapy and
24 counseling for cessation of tobacco use for pregnant

1 women who use tobacco products or who are being treated
 2 for tobacco use that is furnished—

3 “(A) by or under the supervision of a physician;

4 or

5 “(B) by any other health care professional
 6 who—

7 “(i) is legally authorized to furnish such
 8 services under State law (or the State regu-
 9 latory mechanism provided by State law) of the
 10 State in which the services are furnished; and

11 “(ii) is authorized to receive payment for
 12 other services under this title or is designated
 13 by the Secretary for this purpose.

14 “(2) Subject to paragraph (3), such term is limited
 15 to—

16 “(A) therapy and counseling services rec-
 17 ommended in ‘Treating Tobacco Use and Depend-
 18 ence: A Clinical Practice Guideline’, published by the
 19 Public Health Service in June 2000, or any subse-
 20 quent modification of such Guideline; and

21 “(B) such other therapy and counseling services
 22 that the Secretary recognizes to be effective.

23 “(3) Such term shall not include coverage for drugs
 24 or biologicals that are not otherwise covered under this
 25 title.”.

1 (c) REMOVAL OF COST-SHARING FOR TOBACCO CES-
 2 SATION COUNSELING SERVICES FOR PREGNANT
 3 WOMEN.—Section 1916 of the Social Security Act (42
 4 U.S.C. 1396o) is amended in each of subsections (a)(2)(B)
 5 and (b)(2)(B) by inserting “, and counseling for cessation
 6 of tobacco use (as defined in section 1905(x))” after “com-
 7 plicate the pregnancy”.

8 (d) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to services furnished on or after
 10 the date that is 1 year after the date of enactment of this
 11 Act.

12 **SEC. 5. PROMOTING CESSATION OF TOBACCO USE UNDER**
 13 **THE MATERNAL AND CHILD HEALTH SERV-**
 14 **ICES BLOCK GRANT PROGRAM.**

15 (a) QUALITY MATERNAL AND CHILD HEALTH SERV-
 16 ICES INCLUDES TOBACCO CESSATION COUNSELING AND
 17 MEDICATIONS.—

18 (1) IN GENERAL.—Section 501 of the Social
 19 Security Act (42 U.S.C. 701) is amended by adding
 20 at the end the following new subsection:

21 “(c) For purposes of this title, counseling for ces-
 22 sation of tobacco use (as defined in section 1905(x)),
 23 drugs and biologicals used to promote smoking cessation,
 24 and the inclusion of antitobacco messages in health pro-

1 motion counseling shall be considered to be part of quality
2 maternal and child health services.”.

3 (2) EFFECTIVE DATE.—The amendment made
4 by paragraph (1) shall take effect on the date that
5 is 1 year after the date of enactment of this Act.

6 (b) EVALUATION OF NATIONAL CORE PERFORMANCE
7 MEASURES.—

8 (1) IN GENERAL.—The Administrator of the
9 Health Resources and Services Administration shall
10 assess the current national core performance meas-
11 ures and national core outcome measures utilized
12 under the Maternal and Child Health Block Grant
13 under title V of the Social Security Act (42 U.S.C.
14 701 et seq.) for purposes of expanding such meas-
15 ures to include some of the known causes of low
16 birthweight and prematurity, including the percent-
17 age of infants born to pregnant women who smoked
18 during pregnancy.

19 (2) REPORT.—Not later than 1 year after the
20 date of enactment of this Act, the Administrator of
21 the Health Resources and Services Administration
22 shall submit to the appropriate committees of Con-
23 gress a report concerning the results of the evalua-
24 tion conducted under paragraph (1).

1 **SEC. 6. STATE OPTION TO PROVIDE FAMILY PLANNING**
 2 **SERVICES AND SUPPLIES TO INDIVIDUALS**
 3 **WITH INCOMES THAT DO NOT EXCEED A**
 4 **STATE'S INCOME ELIGIBILITY LEVEL FOR**
 5 **MEDICAL ASSISTANCE.**

6 (a) IN GENERAL.—Title XIX of the Social Security
 7 Act (42 U.S.C. 1396 et seq.) is amended—

8 (1) by redesignating section 1935 as section
 9 1936; and

10 (2) by inserting after section 1934 the following
 11 new section:

12 “STATE OPTION TO PROVIDE FAMILY PLANNING
 13 SERVICES AND SUPPLIES

14 “SEC. 1935. (a) IN GENERAL.—Subject to sub-
 15 sections (b) and (c), a State may elect (through a State
 16 plan amendment) to make medical assistance described in
 17 section 1905(a)(4)(C) available to any individual whose
 18 family income does not exceed the greater of—

19 “(1) 185 percent of the income official poverty
 20 line (as defined by the Office of Management and
 21 Budget, and revised annually in accordance with sec-
 22 tion 673(2) of the Omnibus Budget Reconciliation
 23 Act of 1981) applicable to a family of the size in-
 24 volved; or

25 “(2) the eligibility income level (expressed as a
 26 percentage of such poverty line) that has been speci-

1 fied under a waiver authorized by the Secretary or
 2 under section 1902(r)(2)), as of October 1, 2003,
 3 for an individual to be eligible for medical assistance
 4 under the State plan.

5 “(b) COMPARABILITY.—Medical assistance described
 6 in section 1905(a)(4)(C) that is made available under a
 7 State plan amendment under subsection (a) shall—

8 “(1) not be less in amount, duration, or scope
 9 than the medical assistance described in that section
 10 that is made available to any other individual under
 11 the State plan; and

12 “(2) be provided in accordance with the restric-
 13 tions on deductions, cost sharing, or similar charges
 14 imposed under section 1916(a)(2)(D).

15 “(c) OPTION TO EXTEND COVERAGE DURING A
 16 POST-ELIGIBILITY PERIOD.—

17 “(1) INITIAL PERIOD.—A State plan amend-
 18 ment made under subsection (a) may provide that
 19 any individual who was receiving medical assistance
 20 described in section 1905(a)(4)(C) as a result of
 21 such amendment, and who becomes ineligible for
 22 such assistance because of hours of, or income from,
 23 employment, may remain eligible for such medical
 24 assistance through the end of the 6-month period

1 that begins on the first day the individual becomes
2 so ineligible.

3 “(2) ADDITIONAL EXTENSION.—A State plan
4 amendment made under subsection (a) may provide
5 that any individual who has received medical assist-
6 ance described in section 1905(a)(4)(C) during the
7 entire 6-month period described in paragraph (1)
8 may be extended coverage for such assistance for a
9 succeeding 6-month period.”.

10 (b) EFFECTIVE DATE.—The amendments made by
11 subsection (a) apply to medical assistance provided on and
12 after October 1, 2003.

13 **SEC. 7. STATE OPTION TO EXTEND THE POSTPARTUM PE-**
14 **RIOD FOR PROVISION OF FAMILY PLANNING**
15 **SERVICES AND SUPPLIES.**

16 (a) IN GENERAL.—Section 1902(e)(5) of the Social
17 Security Act (42 U.S.C. 1396a(e)(5)) is amended—

18 (1) by striking “eligible under the plan, as
19 though” and inserting “eligible under the plan—

20 “(A) as though”;

21 (2) by striking the period and inserting “;
22 and”; and

23 (3) by adding at the end the following new sub-
24 paragraph:

1 “(B) for medical assistance described in section
 2 1905(a)(4)(C) for so long as the family income of
 3 such woman does not exceed the maximum income
 4 level established by the State for the woman to be
 5 eligible for medical assistance under the State plan
 6 (as a result of pregnancy or otherwise).”.

7 (b) EFFECTIVE DATE.—The amendments made by
 8 subsection (a) apply to medical assistance provided on and
 9 after October 1, 2003.

10 **SEC. 8. STATE OPTION TO PROVIDE WRAP-AROUND SCHIP**
 11 **COVERAGE TO CHILDREN WHO HAVE OTHER**
 12 **HEALTH COVERAGE.**

13 (a) IN GENERAL.—

14 (1) SCHIP.—

15 (A) STATE OPTION TO PROVIDE WRAP-
 16 AROUND COVERAGE.—Section 2110(b) of the
 17 Social Security Act (42 U.S.C. 1397jj(b)) is
 18 amended—

19 (i) in paragraph (1)(C), by inserting
 20 “, subject to paragraph (5),” after “under
 21 title XIX or”; and

22 (ii) by adding at the end the fol-
 23 lowing:

24 “(5) STATE OPTION TO PROVIDE WRAP-AROUND
 25 COVERAGE.—A State may waive the requirement of

1 paragraph (1)(C) that a targeted low-income child
 2 may not be covered under a group health plan or
 3 under health insurance coverage, if the State satis-
 4 fies the conditions described in subsection (c)(8).
 5 The State may waive such requirement in order to
 6 provide—

7 “(A) services for a child with special health
 8 care needs; or

9 “(B) all services.

10 In waiving such requirement, a State may limit the
 11 application of the waiver to children whose family in-
 12 come does not exceed a level specified by the State,
 13 so long as the level so specified does not exceed the
 14 maximum income level otherwise established for
 15 other children under the State child health plan.”.

16 (B) CONDITIONS DESCRIBED.—Section
 17 2105(c) of the Social Security Act (42 U.S.C.
 18 1397ee(c)) is amended by adding at the end the
 19 following:

20 “(8) CONDITIONS FOR PROVISION OF WRAP-
 21 AROUND COVERAGE.—For purposes of section
 22 2110(b)(5), the conditions described in this para-
 23 graph are the following:

1 “(A) INCOME ELIGIBILITY.—The State
2 child health plan (whether implemented under
3 title XIX or this XXI)—

4 “(i) has the highest income eligibility
5 standard permitted under this title as of
6 January 1, 2003;

7 “(ii) subject to subparagraph (B),
8 does not limit the acceptance of applica-
9 tions for children; and

10 “(iii) provides benefits to all children
11 in the State who apply for and meet eligi-
12 bility standards.

13 “(B) NO WAITING LIST IMPOSED.—With
14 respect to children whose family income is at or
15 below 200 percent of the poverty line, the State
16 does not impose any numerical limitation, wait-
17 ing list, or similar limitation on the eligibility of
18 such children for child health assistance under
19 such State plan.

20 “(C) NO MORE FAVORABLE TREATMENT.—
21 The State child health plan may not provide
22 more favorable coverage of dental services to
23 the children covered under section 2110(b)(5)
24 than to children otherwise covered under this
25 title.”.

(C) STATE OPTION TO WAIVE WAITING PERIOD.—Section 2102(b)(1)(B) of the Social Security Act (42 U.S.C. 1397bb(b)(1)(B)), as amended by section 2(b)(3)(B), is amended—

(i) in clause (ii), by striking “, and” at the end and inserting a semicolon;

(ii) in clause (iii), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following new clause:

“(iv) at State option, may not apply a waiting period in the case of a child described in section 2110(b)(5), if the State satisfies the requirements of section 2105(c)(8).”.

(2) APPLICATION OF ENHANCED MATCH UNDER MEDICAID.—Section 1905 of the Social Security Act (42 U.S.C. 1396d), as amended by section 2(a)(2), is amended—

(A) in subsection (b), in the fourth sentence, by striking “or (u)(4)” and inserting “(u)(4), or (u)(5)”; and

(B) in subsection (u)—

(i) by redesignating paragraph (5) as paragraph (6); and

1 (ii) by inserting after paragraph (4)
 2 the following:

3 “(5) For purposes of subsection (b), the ex-
 4 penditures described in this paragraph are expendi-
 5 tures for items and services for children described in
 6 section 2110(b)(5), but only in the case of a State
 7 that satisfies the requirements of section
 8 2105(e)(8).”.

9 (3) APPLICATION OF SECONDARY PAYOR PROVI-
 10 SIONS.—Section 2107(e)(1) of the Social Security
 11 Act (42 U.S.C. 1397gg(e)(1)), as amended by sec-
 12 tion 3(b), is amended by adding at the end the fol-
 13 lowing:

14 “(F) Section 1902(a)(25) (relating to co-
 15 ordination of benefits and secondary payor pro-
 16 visions) with respect to children covered under
 17 a waiver described in section 2110(b)(5).”.

18 (b) EFFECTIVE DATE.—The amendments made by
 19 subsection (a) shall take effect on January 1, 2003, and
 20 shall apply to child health assistance and medical assist-
 21 ance provided on or after that date.

○